AMENDED IN SENATE JUNE 26, 2014 AMENDED IN ASSEMBLY MAY 23, 2014 AMENDED IN ASSEMBLY MARCH 17, 2014

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

ASSEMBLY BILL

No. 1892

Introduced by Assembly Member Bocanegra

(Coauthor: Senator Correa)

February 19, 2014

An act to amend Sections 52060 and 52066 of, and to amend, repeal, and add Sections 2574 and 42238.02 of, the Education Code, relating to pupils.

LEGISLATIVE COUNSEL'S DIGEST

AB 1892, as amended, Bocanegra. Pupils redesignated as fluent English proficient.

(1) Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of certain categories of pupils, known as unduplicated pupils, served by the county superintendent of schools, school district, or charter school. Existing law includes among unduplicated pupils, a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth, as defined, and requires county superintendents of schools, school districts, and charter schools to submit and report data relating to these pupils.

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This bill, until statewide pupil redesignation standards are adopted after January 1, 2015, by statute or regulation, or until July 1, 2018, whichever occurs first, would include a pupil who is redesignated as fluent English proficient, as specified, as an unduplicated pupil. The bill would authorize a county superintendent of schools, school district, or charter school to receive a specified percentage of the supplemental and concentration grant add-ons for pupils redesignated as fluent English proficient for the 2 consecutive fiscal years following redesignation, as specified. By requiring county superintendents of schools, school districts, and charter schools to also submit and report data related to pupils redesignated as fluent English proficient, the bill would impose a state-mandated local program.

(2) Existing law, on or before July 1, 2014, requires the governing board of each school district and each county board of education to adopt a local control and accountability plan and requires the governing board of each school district and each county board of education to update its local control and accountability plan before July 1 of each year. Existing law requires a local control and accountability plan to include, among other things, a description of the annual goals to be achieved for each state priority, as specified, for all pupils and certain subgroups of pupils. Existing law requires a charter school petition to contain, among other things, a reasonably comprehensive description of annual goals to be achieved in each applicable state priority, as specified, for all pupils and certain subgroups of pupils, and specific annual actions to achieve those goals. Existing law requires a charter school to annually update the goals and annual actions to achieve those goals, as specified. Existing law provides that, among other things, implementation of the academic content and performance standards adopted by the State Board of Education is a state priority.

This bill would add, within that state priority, identification of any specialized programs or services provided to pupils redesignated as fluent English proficient in order for them to maintain proficiency in English and access the common core academic content standards, adopted as specified, and a broad course of study that includes certain subject areas. The bill would specify that a local control and accountability plan also include a description of the annual goals to be achieved for each state priority for pupils redesignated as fluent English proficient. By requiring the governing board of each school district and each county board of education to include additional information in the local control and accountability plan, and requiring

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each charter school to include additional information in its annual goals, the bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- SECTION 1. Section 2574 of the Education Code is amended to read:
- 2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:
 - (a) Compute a county office of education operations grant equal to the sum of each of the following amounts:

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- 9 (1) Six hundred fifty-five thousand nine hundred twenty dollars 10 (\$655,920).
 - (2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.
- 15 (3) (A) Seventy dollars (\$70) multiplied by the number of units 16 of countywide average daily attendance, up to a maximum of 17 30,000 units.
 - (B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.
 - (C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.

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 (D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.

- (E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.
- (4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:
- (1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the eurrent fiscal year and the two prior fiscal years by the sum of the

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total enrollment in those schools in the current fiscal year and the two prior fiscal years.

- (D) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.
- (2) For purposes of this section, an "unduplicated pupil" is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, a foster youth, or redesignated as fluent English proficient pursuant to Section 313. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:
- (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
- (B) The pupil is classified as an English learner and is a foster youth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (E) The pupil is redesignated as fluent English proficient pursuant to Section 313 and meets the requirements of subparagraph (B) of paragraph (2) of, and subparagraph (C) of paragraph (3) of, subdivision (c), and is eligible for a free or reduced-price meal, or is a foster youth, or both.
- (3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, foster youth, and pupils redesignated as fluent English proficient in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.

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(B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.

- (C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.
- (c) Compute an alternative education grant equal to the sum of the following:
- (1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undeficited statewide average juvenile court school base revenue limit calculated pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013.
- (B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (2) (A) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (B) (i) A county superintendent of schools shall receive 50 percent of the supplemental grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (ii) A county superintendent of schools shall receive 25 percent of the supplemental grant calculated pursuant to subparagraph (A)

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for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.

- (3) (A) A concentration grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the greater of either of the following:
- (i) The enrollment percentage calculated in subdivision (b) less 50 percent.
 - (ii) Zero.

- (B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (C) (i) A county superintendent of schools shall receive 50 percent of the concentration grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (ii) A county superintendent of schools shall receive 25 percent of the concentration grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county superintendent of schools, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled pursuant to any of the following:
- (i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.
 - (ii) On probation or parole and not in attendance in a school.
- (iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.
- (B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant

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calculated pursuant to paragraph (1). Funds provided for the
 supplemental and concentration grants pursuant to this calculation
 shall be expended in accordance with the regulations adopted
 pursuant to Section 42238.07.

- (C) Add the amounts calculated in subparagraphs (A) and (B).
- (d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).
- (e) Add all of the following to the amount calculated in subdivision (d):
- (1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read on January 1, 2013.
- (2) (A) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013.
- (B) On or before March 1, 2014, the Legislative Analyst's Office shall submit recommendations to the fiscal committees of both houses of the Legislature regarding revisions to the methods of funding pupil transportation that address historical funding inequities across county offices of education and school districts and improve incentives for local educational agencies to provide efficient and effective pupil transportation services.
- (f) This section shall become inoperative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the conditions on which it becomes inoperative and is repealed.
 - SEC. 2. Section 2574 is added to the Education Code, to read:

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2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:

- (a) Compute a county office of education operations grant equal to the sum of each of the following amounts:
- (1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).
- (2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.
- (3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units.
- (B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.
- (C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.
- (D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.
- (E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.
- (4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for

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the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

- (b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:
- (1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the current fiscal year and the two prior fiscal years by the sum of the total enrollment in those schools in the current fiscal year and the two prior fiscal years.
- (D) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.
- (2) For purposes of this section, an "unduplicated pupil" is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:

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(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

- (B) The pupil is classified as an English learner and is a foster vouth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.
- (B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.
- (C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.
- (c) Compute an alternative education grant equal to the sum of the following:
- (1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undeficited statewide average juvenile court school base revenue limit calculated pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013.
- (B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared

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with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

- (2) (A) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (B) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a county superintendent of schools has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the supplemental grant calculated pursuant to subparagraph (A), the county superintendent of schools shall receive the applicable percentage of the supplemental grant calculated pursuant to subparagraph (A) for the pupil redesignated as fluent English proficient until he or she has received the applicable percentage of the supplemental grant for the applicable fiscal year.
- (3) (A) A concentration grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the greater of either of the following:
- (i) The enrollment percentage calculated in subdivision (b) less 50 percent.
 - (ii) Zero.
- (B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (C) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a county superintendent of schools has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the concentration grant calculated pursuant to subparagraph (A), the county superintendent of schools shall receive the applicable percentage of the concentration grant calculated pursuant to subparagraph (A) for the pupil redesignated

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as fluent English proficient until he or she has received the applicable percentage of the concentration grant for the applicable fiscal year.

- (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county superintendent of schools, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled pursuant to any of the following:
- (i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.
 - (ii) On probation or parole and not in attendance in a school.
- (iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.
- (B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant calculated pursuant to paragraph (1). Funds provided for the supplemental and concentration grants pursuant to this calculation shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
 - (C) Add the amounts calculated in subparagraphs (A) and (B).
- (d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).
- (e) Add all of the following to the amount calculated in subdivision (d):
- (1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read on January 1, 2013.
- (2) (A) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set

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1 forth in Article 2 (commencing with Section 39820) of Chapter 1

- 2 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with
- 3 Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2,
- 4 and the Small School District Transportation program, as set forth
- 5 in Article 4.5 (commencing with Section 42290) of Chapter 7 of
- 6 Part 24 of Division 3 of Title 2, as those articles read on January 7 1, 2013.
 - (B) On or before March 1, 2014, the Legislative Analyst's Office shall submit recommendations to the fiscal committees of both houses of the Legislature regarding revisions to the methods of funding pupil transportation that address historical funding inequities across county offices of education and school districts and improve incentives for local educational agencies to provide efficient and effective pupil transportation services.
 - (f) This section shall become operative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first.
 - SEC. 3. Section 42238.02 of the Education Code is amended to read:
 - 42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.
 - (b) (1) For purposes of this section "unduplicated pupil" means a pupil enrolled in a school district or a charter school who is classified as an English learner, eligible for a free or reduced-price meal, a foster youth, or redesignated as fluent English proficient pursuant to Section 313. A pupil shall be counted only once for purposes of this section if any of the following apply:
 - (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
 - (B) The pupil is classified as an English learner and is a foster youth.
 - (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
 - (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- 37 (E) The pupil is redesignated as fluent English proficient 38 pursuant to Section 313 and meets the requirements of paragraph 39 (2) of subdivision (e) and paragraph (3) of subdivision (f), and is

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eligible for a free or reduced-price meal, or is a foster youth, or both.

- (2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, English learner, and redesignated as fluent English proficient pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.
- (3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate English learner, foster youth, free or reduced-price meal eligible, and redesignated as fluent English proficient pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.
- (B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, free or reduced-price meal eligible, and redesignated as fluent English proficient pupil counts are consistent with the school district's or charter school's English learner, foster youth, free or reduced-price meal eligible, and redesignated as fluent English proficient pupil records.
- (4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, free or reduced-price meal eligible, and redesignated as fluent English proficient pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.
- (5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school

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 by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:

- (A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.
- (c) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.
- (d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:
 - (1) For the 2013–14 fiscal year, a base grant of:
- (A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.
- (B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.
- (C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.
- (D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.
- (2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal

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year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

- (3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted by paragraph (2), by 10.4 percent.
- (B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:
- (i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.
- (ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.
- (iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.
- (iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.
- (v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).
- (C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3,

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inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.

- (D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.
- (E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.
- (F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.
- (4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.
- (e) (1) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph

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(5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

- (2) (A) A school district or charter school shall receive 50 percent of the supplemental grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (B) A school district or charter school shall receive 25 percent of the supplemental grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be ealculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.
- (2) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils

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calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

- (3) (A) A school district or charter school shall receive 50 percent of the concentration grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (B) A school district or charter school shall receive 25 percent of the concentration grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2, for the 2012–13 fiscal year, as that article read on January 1, 2013. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount of funding received by the school district or charter school from that program in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.
- (h) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district

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or charter school for those programs in the 2012–13 fiscal year.
The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

- (i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:
- (A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a) of Section 42238.05 for purposes of the computation specified in subdivision (d).
- (B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.
- (2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.
- (j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:
- (1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.
- (B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.
- (2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.
- 34 (3) The amount, if any, received pursuant to Chapter 3
 35 (commencing with Section 16140) of Part 1 of Division 4 of Title
 36 2 of the Government Code.
- 37 (4) Prior years' taxes and taxes on the unsecured roll.
- 38 (5) Fifty percent of the amount received pursuant to Section 39 41603.

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(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

- (7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.
- (8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.
- (*l*) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.
- (2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:
- (A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.

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(ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.

- (iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i).
- (iv) Compute a percentage by dividing the sum of the amounts computed pursuant to clauses (i) and (ii) by the amount computed pursuant to clause (iii).
- (B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.
- (C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).
- (3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each affiliated charter school schoolsite with no less than the amount of funding the schoolsite received pursuant to the charter school block grant in the 2012–13 fiscal year.
- (m) Any calculations in law that are used for purposes of determining if a local educational agency is an excess tax school entity or basic aid school district, including, but not limited to, this section and Sections 42238.03, 41544, 47632, 47660, 47663, 48310, and 48359.5, and Section 95 of the Revenue and Taxation Code, shall be made exclusive of the revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required

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pursuant to Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4.

- (o) A school district that does not receive an apportionment of state funds pursuant to this section, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subdivision (e) of Section 42238.03 shall be considered a "basic aid school district" or an "excess tax entity."
- (p) This section shall become inoperative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the conditions on which it becomes inoperative and is repealed.
- SEC. 4. Section 42238.02 is added to the Education Code, to read:
- 42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.
- (b) (1) For purposes of this section "unduplicated pupil" means a pupil enrolled in a school district or a charter school who is classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth. A pupil shall be counted only once for purposes of this section if any of the following apply:
- (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
- (B) The pupil is classified as an English learner and is a foster youth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.
- (3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate

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English learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.

- (B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district's or charter school's English learner, foster youth, and free or reduced-price meal eligible pupil records.
- (4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.
- (5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:
- (A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.

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(e) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.

- (d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:
 - (1) For the 2013–14 fiscal year, a base grant of:
- (A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.
- (B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.
- (C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.
- (D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.
- (2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted by paragraph (2), by 10.4 percent.
- (B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each

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schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:

- (i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.
- (ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.
- (iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.
- (iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.
- (v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).
- (C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.
- (D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.
- (E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.
- (F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section

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14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.

- (4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.
- (e) (1) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (2) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a school district or charter school has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the supplemental grant calculated pursuant to paragraph (1), the school district or charter school shall receive the applicable percentage of the supplemental grant calculated pursuant to paragraph (1) for the pupil redesignated as fluent English proficient until it has received the applicable percentage of the supplemental grant for the applicable fiscal year.

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(f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.

(2) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(3) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a school district or charter school has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the concentration grant calculated pursuant to paragraph (1), the school district or charter school shall receive the applicable

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percentage of the concentration grant calculated pursuant to paragraph (1) for the pupil redesignated as fluent English proficient until it has received the applicable percentage of the concentration grant for the applicable fiscal year.

- (g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2, for the 2012–13 fiscal year, as that article read on January 1, 2013. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount of funding received by the school district or charter school from that program in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.
- (h) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district or charter school for those programs in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.
- (i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:
- (A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a)

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of Section 42238.05 for purposes of the computation specified in subdivision (d).

- (B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.
- (2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.
- (j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:
- (1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.
- (B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.
- (2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.
- (3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.
 - (4) Prior years' taxes and taxes on the unsecured roll.
- (5) Fifty percent of the amount received pursuant to Section 41603.
- (6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

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1 (7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

- (8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.
- (*l*) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.
- (2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:
- (A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.
- (ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.
- (iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i).

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(iv) Compute a percentage by dividing the sum of the amounts computed pursuant to clauses (i) and (ii) by the amount computed pursuant to clause (iii).

- (B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.
- (C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).
- (3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each affiliated charter school schoolsite with no less than the amount of funding the schoolsite received pursuant to the charter school block grant in the 2012–13 fiscal year.
- (m) Any calculations in law that are used for purposes of determining if a local educational agency is an excess tax school entity or basic aid school district, including, but not limited to, this section and Sections 42238.03, 41544, 47632, 47660, 47663, 48310, and 48359.5, and Section 95 of the Revenue and Taxation Code, shall be made exclusive of the revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4.
- (o) A school district that does not receive an apportionment of state funds pursuant to this section, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subdivision (e) of Section 42238.03 shall be considered a "basic aid school district" or an "excess tax entity."

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(p) This section shall become operative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first.

SECTION 1. Section 2574 of the Education Code is amended to read:

- 2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:
- (a) Compute a county office of education operations grant equal to the sum of each of the following amounts:
- (1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).
- (2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.
- (3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units.
- (B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.
- (C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.
- (D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.
- (E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.

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(4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

- (b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:
- (1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the current fiscal year and the two prior fiscal years by the sum of the total enrollment in those schools in the current fiscal year and the two prior fiscal years.
- (D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a county superintendent of schools' enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.
- (ii) It is the intent of the Legislature to review each county office of education's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if

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necessary, for a county office of education with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.

- (E) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.
- (F) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This subparagraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.
- (2) For purposes of this section, an "unduplicated pupil" is a pupil who is classified as an English learner, eligible for a free or reduced-price meal,—or a foster youth. a foster youth, or redesignated as fluent English proficient pursuant to Section 313. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:
- (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
- (B) The pupil is classified as an English learner and is a foster youth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (E) The pupil is redesignated as fluent English proficient pursuant to Section 313 and meets the requirements of subparagraph (B) of paragraph (2) of, and subparagraph (C) of paragraph (3) of, subdivision (c), and is eligible for a free or reduced-price meal, or is a foster youth, or both.
- (3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of

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unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth foster youth, and pupils redesignated as fluent English proficient in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.

- (B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.
- (C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.
- (c) Compute an alternative education grant equal to the sum of the following:
- (1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undeficited statewide average juvenile court school base revenue limit calculated pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013. For purposes of this subparagraph, the 2012–13 statewide average juvenile court school base revenue limit shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.
- (B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

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 (2) (A) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

- (B) (i) A county superintendent of schools shall receive 50 percent of the supplemental grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (ii) A county superintendent of schools shall receive 25 percent of the supplemental grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (3) (A) A concentration grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the greater of either of the following:
- (i) The enrollment percentage calculated in subdivision (b) less 50 percent.
 - (ii) Zero.
- (B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (C) (i) A county superintendent of schools shall receive 50 percent of the concentration grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.
- (ii) A county superintendent of schools shall receive 25 percent of the concentration grant calculated pursuant to subparagraph (A) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county—office of education, superintendent of schools, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of

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1 Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled 2 pursuant to any of the following:
3 (i) Probation-referred pursuant to Sections 300, 601, 602, and

- (i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.
 - (ii) On probation or parole and not in attendance in a school.
- (iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.
- (B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant calculated pursuant to paragraph (1). Funds provided for the supplemental and concentration grants pursuant to this calculation shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
 - (C) Add the amounts calculated in subparagraphs (A) and (B).
- (d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).
- (e) Add all of the following to the amount calculated in subdivision (d):
- (1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read on January 1, 2013.
- (2) (A) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013.

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 (B) On or before March 1, 2014, the Legislative Analyst's Office shall submit recommendations to the fiscal committees of both houses of the Legislature regarding revisions to the methods of funding pupil transportation that address historical funding inequities across county offices of education and school districts and improve incentives for local educational agencies to provide efficient and effective pupil transportation services.

- (3) The difference determined by subtracting the amount calculated pursuant to paragraph (1) of subdivision (c) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that is provided to eligible schools pursuant to Section 42284, if the difference is positive.
- (f) This section shall become inoperative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the conditions on which it becomes inoperative and is repealed.
- SEC. 2. Section 2574 is added to the Education Code, to read: 2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:
- (a) Compute a county office of education operations grant equal to the sum of each of the following amounts:
- (1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).
- (2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.
- (3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units.
- (B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.

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(C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.

- (D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.
- (E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.
- (4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:
- (1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.

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(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the current fiscal year and the two prior fiscal years by the sum of the total enrollment in those schools in the current fiscal year and the two prior fiscal years.

- (D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a county superintendent of schools' enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.
- (ii) It is the intent of the Legislature to review each county office of education's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a county office of education with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.
- (E) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.
- (F) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This subparagraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.
- (2) For purposes of this section, an "unduplicated pupil" is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:

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(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

- (B) The pupil is classified as an English learner and is a foster youth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.
- (B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.
- (C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.
- (c) Compute an alternative education grant equal to the sum of the following:
- (1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undeficited statewide average juvenile court school base revenue limit calculated pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013. For purposes of this subparagraph, the 2012–13 statewide average juvenile court school base revenue limit shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.
- (B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and

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1 Local Government Purchases of Goods and Services for the United 2 States, as published by the United States Department of Commerce 3 for the 12-month period ending in the third quarter of the prior 4 fiscal year. This percentage change shall be determined using the 5 latest data available as of May 10 of the preceding fiscal year 6 compared with the annual average value of the same deflator for 7 the 12-month period ending in the third quarter of the second 8 preceding fiscal year, using the latest data available as of May 10 9 of the preceding fiscal year, as reported by the Department of

- (2) (A) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (B) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a county superintendent of schools has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the supplemental grant calculated pursuant to subparagraph (A), the county superintendent of schools shall receive the applicable percentage of the supplemental grant calculated pursuant to subparagraph (A) for the pupil redesignated as fluent English proficient until he or she has received the applicable percentage of the supplemental grant for the applicable fiscal year.
- (3) (A) A concentration grant equal to 35 percent of the base
 grant described in paragraph (1) multiplied by the greater of either
 of the following:
 (i) The enrollment percentage calculated in subdivision (b) less
 - (i) The enrollment percentage calculated in subdivision (b) less 50 percent.
 - (ii) Zero.

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- (B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (C) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a county superintendent of schools has not already received, for the first fiscal year after the pupil has been redesignated as fluent

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English proficient, 50 percent of, and for the second fiscal year 2 after the pupil has been redesignated as fluent English proficient, 3 25 percent of, the concentration grant calculated pursuant to 4 subparagraph (A), the county superintendent of schools shall 5 receive the applicable percentage of the concentration grant 6 calculated pursuant to subparagraph (A) for the pupil redesignated as fluent English proficient until he or she has received the applicable percentage of the concentration grant for the applicable fiscal year.

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- (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county superintendent of schools, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled pursuant to any of the following:
- (i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.
 - (ii) On probation or parole and not in attendance in a school.
 - (iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.
- (B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant calculated pursuant to paragraph (1). Funds provided for the supplemental and concentration grants pursuant to this calculation shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
 - (C) Add the amounts calculated in subparagraphs (A) and (B).
- (d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).
- (e) Add all of the following to the amount calculated in subdivision (d):
- (1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant

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to the Targeted Instructional Improvement Block Grant program,
 as set forth in Article 6 (commencing with Section 41540) of
 Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read
 on January 1, 2013.

- (2) (A) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013.
- (B) On or before March 1, 2014, the Legislative Analyst's Office shall submit recommendations to the fiscal committees of both houses of the Legislature regarding revisions to the methods of funding pupil transportation that address historical funding inequities across county offices of education and school districts and improve incentives for local educational agencies to provide efficient and effective pupil transportation services.
- (3) The difference determined by subtracting the amount calculated pursuant to paragraph (1) of subdivision (c) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that is provided to eligible schools pursuant to Section 42284, if the difference is positive.
- (f) This section shall become operative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first.
- 31 SEC. 3. Section 42238.02 of the Education Code is amended 32 to read:
 - 42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.
 - (b) (1) For purposes of this section "unduplicated pupil" means a pupil enrolled in a school district or a charter school who is either classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth, or redesignated as fluent

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English proficient pursuant to Section 313. A pupil shall be counted only once for purposes of this section if any of the following apply:

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- (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
- (B) The pupil is classified as an English learner and is a foster youth.
- (C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.
 - (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
 - (E) The pupil is redesignated as fluent English proficient pursuant to Section 313 and meets the requirements of paragraph (2) of subdivision (e) and paragraph (3) of subdivision (f), and is eligible for a free or reduced-price meal, or is a foster youth, or both.
 - (2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner English learner, and redesignated as fluent English proficient pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.
 - (3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate English learner, foster youth,—and free or reduced-price meal eligible eligible, and redesignated as fluent English proficient pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.
- (B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth,—and free or reduced-price meal—eligible eligible, and redesignated as fluent English proficient pupil counts are consistent with the school district's or charter school's English learner, foster

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youth,—and free or reduced-price meal—eligible eligible, and redesignated as fluent English proficient pupil records.

- (4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth,—and free or reduced-price meal—eligible eligible, and redesignated as fluent English proficient pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.
- (5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:
- (A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.
- (D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a school district's or charter school's enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.
- (ii) It is the intent of the Legislature to review each school district and charter school's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a school district or charter school with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.

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(6) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This paragraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.

- (c) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.
- (d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:
 - (1) For the 2013–14 fiscal year, a base grant of:

- (A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.
- (B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.
- (C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.
- (D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.
- (2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted by paragraph (2), by 10.4 percent.

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(B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:

- (i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.
- (ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.
- (iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.
- (iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.
- (v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).
- (C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.
- (D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.

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(E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.

- (F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.
- (4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.
- (e) (1) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (2) (A) A school district or charter school shall receive 50 percent of the supplemental grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.

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(B) A school district or charter school shall receive 25 percent of the supplemental grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.

- (f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.
- (2) (A) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (B) For purposes of this paragraph and subparagraph (A) of paragraph (1) of subdivision (f) of Section 42238.03, a charter school shall report its physical location to the department under

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timeframes established by the department. For a charter school authorized by a school district, the department shall include the authorizing school district in the department's determination of physical location. For a charter school authorized on appeal pursuant to subdivision (j) of Section 47605, the department shall include the sponsoring school district in the department's determination of physical location. The reported physical location of the charter school shall be considered final as of the second principal apportionment for that fiscal year. For purposes of this paragraph, the percentage of unduplicated pupils of the school district associated with the charter school pursuant to subparagraph (A) shall be considered final as of the second principal apportionment for that fiscal year.

(3) (A) A school district or charter school shall receive 50 percent of the concentration grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the first fiscal year after the pupil has been redesignated as fluent English proficient.

- (B) A school district or charter school shall receive 25 percent of the concentration grant add-on calculated pursuant to paragraph (1) for a pupil redesignated as fluent English proficient pursuant to Section 313 for the second fiscal year after the pupil has been redesignated as fluent English proficient.
- (g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2, for the 2012–13 fiscal year, as that article read on January 1, 2013. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount of funding received by the school district or charter school from that program in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.
- (h) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant

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former Article 2 (commencing with Section 39820) of Chapter 1 3 of Part 23.5, former Article 10 (commencing with Section 41850) 4 of Chapter 5, and the Small School District Transportation

to the Home-to-School Transportation program, as set forth in

- 5 program, as set forth in former Article 4.5 (commencing with
- 6 Section 42290), for the 2012–13 fiscal year. A school district or 7
- charter school shall not receive a total funding amount from this
- 8 add-on greater than the total amount received by the school district
- or charter school for those programs in the 2012–13 fiscal year.
- The amount computed pursuant to this subdivision shall reflect 10 the reduction specified in paragraph (2) of subdivision (a) of 11 12 Section 42238.03.
 - (i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:
 - (A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a) of Section 42238.05 for purposes of the computation specified in subdivision (d).
 - (B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.
 - (2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.
 - (i) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:
 - (1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.
- (B) For charter schools, the in-lieu property tax amount provided 37 38 to a charter school pursuant to Section 47635.

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(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

- (3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.
 - (4) Prior years' taxes and taxes on the unsecured roll.

- (5) Fifty percent of the amount received pursuant to Section 41603.
- (6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.
- (7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.
- (8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.
- (*l*) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.
- (2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section

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42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:

- (A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.
- (ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.
- (iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i) of Section 42238.02. (i).
- (iv) Compute a percentage by dividing the sum of the amounts computed *pursuant* to clauses (i) and (ii) by the amount computed pursuant to clause (iii).
- (B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.
- (C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).
- (3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each affiliated charter school schoolsite with no less than the amount of funding the schoolsite received pursuant to the charter school block grant in the 2012–13 fiscal year.

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(m) Any calculations in law that are used for purposes of determining if a local educational agency is an excess tax school entity or basic aid school district, including, but not limited to, this section and Sections 42238.03, 41544, 47632, 47660, 47663, 48310, and 48359.5, and Section 95 of the Revenue and Taxation Code, shall be made exclusive of the revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

- (n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division-4 of Title 2. 4.
- (o) A school district that does not receive an apportionment of state funds pursuant to this section, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subparagraph (A) of paragraph (2) of subdivision (e) of Section 42238.03, shall be considered a "basic aid school district" or an "excess tax entity."
- (p) This section shall become inoperative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the conditions on which it becomes inoperative and is repealed.
- SEC. 4. Section 42238.02 is added to the Education Code, to read:
- 42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.
- (b) (1) For purposes of this section "unduplicated pupil" means a pupil enrolled in a school district or a charter school who is classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth. A pupil shall be counted only once for purposes of this section if any of the following apply:
- (A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.
- *(B)* The pupil is classified as an English learner and is a foster youth.

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(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

- (D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.
- (2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.
- (3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate English learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.
- (B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district's or charter school's English learner, foster youth, and free or reduced-price meal eligible pupil records.
- (4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.
- (5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school

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district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:

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- (A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.
- (B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.
- (C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.
- (D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a school district's or charter school's enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.
- (ii) It is the intent of the Legislature to review each school district and charter school's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a school district or charter school with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.
- (6) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This paragraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.
- (c) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.
- (d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:
 - (1) For the 2013–14 fiscal year, a base grant of:
- (A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.

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(B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.

- (C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.
- (D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.
- (2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted by paragraph (2), by 10.4 percent.
- (B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:
- (i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.
- (ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.

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(iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.

- (iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.
- (v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).
- (C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.
- (D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.
- (E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.
- (F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.

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(4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.

- (e) (1) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (2) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a school district or charter school has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the supplemental grant calculated pursuant to paragraph (1), the school district or charter school shall receive the applicable percentage of the supplemental grant calculated pursuant to paragraph (1) for the pupil redesignated as fluent English proficient until it has received the applicable percentage of the supplemental grant for the applicable fiscal year.
- (f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The

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concentration grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.

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- (2) (A) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.
- (B) For purposes of this paragraph and subparagraph (A) of paragraph (1) of subdivision (f) of Section 42238.03, a charter school shall report its physical location to the department under timeframes established by the department. For a charter school authorized by a school district, the department shall include the authorizing school district in the department's determination of physical location. For a charter school authorized on appeal pursuant to subdivision (j) of Section 47605, the department shall include the sponsoring school district in the department's determination of physical location. The reported physical location of the charter school shall be considered final as of the second principal apportionment for that fiscal year. For purposes of this paragraph, the percentage of unduplicated pupils of the school district associated with the charter school pursuant to subparagraph (A) shall be considered final as of the second principal apportionment for that fiscal year.

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(3) If a pupil has been redesignated as fluent English proficient pursuant to Section 313 before this section is operative and a school district or charter school has not already received, for the first fiscal year after the pupil has been redesignated as fluent English proficient, 50 percent of, and for the second fiscal year after the pupil has been redesignated as fluent English proficient, 25 percent of, the concentration grant calculated pursuant to paragraph (1), the school district or charter school shall receive the applicable percentage of the concentration grant calculated pursuant to paragraph (1) for the pupil redesignated as fluent English proficient until it has received the applicable percentage of the concentration grant for the applicable fiscal year.

- (g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2, for the 2012–13 fiscal year, as that article read on January 1, 2013. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount of funding received by the school district or charter school from that program in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.
- (h) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district or charter school for those programs in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect

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1 the reduction specified in paragraph (2) of subdivision (a) of 2 Section 42238.03.

- (i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:
- (A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a) of Section 42238.05 for purposes of the computation specified in subdivision (d).
- (B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.
- (2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.
- (j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:
- (1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.
- (B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.
- (2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.
- (3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.
 - (4) Prior years' taxes and taxes on the unsecured roll.
- 36 (5) Fifty percent of the amount received pursuant to Section 37 41603.
- 38 (6) The amount, if any, received pursuant to the Community 39 Redevelopment Law (Part 1 (commencing with Section 33000) of 40 Division 24 of the Health and Safety Code), less any amount

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1 received pursuant to Section 33401 or 33676 of the Health and

- 2 Safety Code that is used for land acquisition, facility construction,
- 3 reconstruction, or remodeling, or deferred maintenance and that
- 4 is not an amount received pursuant to Section 33492.15, or
- 5 paragraph (4) of subdivision (a) of Section 33607.5, or Section
- 6 33607.7 of the Health and Safety Code that is allocated exclusively 7 for educational facilities.
 - (7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.
 - (8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
 - (k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.
 - (l) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.
 - (2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:
 - (Å) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.
 - (ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average

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daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.

- (iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i).
- (iv) Compute a percentage by dividing the sum of the amounts computed pursuant to clauses (i) and (ii) by the amount computed pursuant to clause (iii).
- (B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.
- (C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).
- (3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each affiliated charter school schoolsite with no less than the amount of funding the schoolsite received pursuant to the charter school block grant in the 2012–13 fiscal year.
- (m) Any calculations in law that are used for purposes of determining if a local educational agency is an excess tax school entity or basic aid school district, including, but not limited to, this section and Sections 42238.03, 41544, 47632, 47660, 47663, 48310, and 48359.5, and Section 95 of the Revenue and Taxation Code, shall be made exclusive of the revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.
- (n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4.

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(o) A school district that does not receive an apportionment of state funds pursuant to this section, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subparagraph (A) of paragraph (2) of subdivision (e) of Section 42238.03, shall be considered a "basic aid school district" or an "excess tax entity."

- (p) This section shall become operative upon the adoption of statewide pupil redesignation standards after January 1, 2015, by statute or regulation, or on July 1, 2018, whichever occurs first.
- SEC. 5. Section 52060 of the Education Code is amended to read:
 - 52060. (a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.
 - (b) A local control and accountability plan adopted by the governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.
 - (c) A local control and accountability plan adopted by the governing board of a school district shall include, for the school district and each school within the school district, both of the following:
 - (1) A description of the annual goals, for all pupils pupils, pupils redesignated as fluent English proficient, and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in paragraphs (2) and (3) of subdivision (a) of Section 52052.
 - (2) A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the school district.
 - (d) All of the following are state priorities:

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(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

- (2) (A) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3, as that section read on June 30, 2013, for purposes of gaining academic content knowledge and English language proficiency.
- (B) The school district shall identify in the local control and accountability plan required by this section any specialized programs or services provided to pupils redesignated as fluent English proficient in order for them to maintain proficiency in English and access the common core academic content standards adopted pursuant to Section 60605.8 and a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.
- (3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.
- (4) Pupil achievement, as measured by all of the following, as applicable:
- (A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.
- (B) The Academic Performance Index, as described in Section 52052.
- (C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state

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1 board-approved career technical educational standards and 2 frameworks, including, but not limited to, those described in 3 subdivision (a) of Section 52302, subdivision (a) of Section 4 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

- (D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.
 - (E) The English learner reclassification rate.
- (F) The percentage of pupils who have passed an advanced placement examination with a score of three or higher.
- (G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.
- 17 (5) Pupil engagement, as measured by all of the following, as applicable:
 - (A) School attendance rates.
 - (B) Chronic absenteeism rates.
 - (C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.
 - (D) High school dropout rates.
 - (E) High school graduation rates.
- 25 (6) School climate, as measured by all of the following, as 26 applicable:
 - (A) Pupil suspension rates.
 - (B) Pupil expulsion rates.
- 29 (C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.
 - (7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

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(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

- (e) For purposes of the descriptions required by subdivision (c), the governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.
- (f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.
- (g) The governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.
- (h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district's progress toward achieving those goals.
- SEC. 6. Section 52066 of the Education Code is amended to read:
- 52066. (a) On or before July 1, 2014, each county superintendent of schools shall develop, and present to the county board of education for adoption, a local control and accountability plan using a template adopted by the state board.
- (b) A local control and accountability plan adopted by the county board of education shall be effective for a period of three years, and shall be updated on or before July 1 of each year.
- (c) A local control and accountability plan adopted by the county board of education shall include, for each school or program operated by the county superintendent of schools, both of the following:
- (1) A description of the annual goals, for all-pupils pupils, pupils redesignated as fluent English proficient, and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d), as applicable to the pupils served, and for any additional local priorities identified by the county board of education.
- (2) A description of the specific actions the county superintendent of schools will take during each year of the local

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control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the county superintendent of schools.

- (d) All of the following are state priorities:
- (1) The degree to which the teachers in the schools or programs operated by the county superintendent of schools are appropriately assigned in accordance with Section 44258.9 and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the schools or programs operated by the county superintendent of schools has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.
- (2) (A) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3, as that section read on June 30, 2013, for purposes of gaining academic content knowledge and English language proficiency.
- (B) The county superintendent of schools shall identify in the local control and accountability plan required by this section any specialized programs or services provided to pupils redesignated as fluent English proficient in order for them to maintain proficiency in English and access the common core academic content standards adopted pursuant to Section 60605.8 and a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.
- (3) Parental involvement, including efforts the county superintendent of schools makes to seek parent input in making decisions for each individual schoolsite and program operated by a county superintendent of schools, and including how the county superintendent of schools will promote parental participation in

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1 programs for unduplicated pupils and individuals with exceptional 2 needs.

- (4) Pupil achievement, as measured by all of the following, as applicable:
- (A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.
- (B) The Academic Performance Index, as described in Section 52052.
- (C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.
- (D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.
 - (E) The English learner reclassification rate.
- (F) The percentage of pupils who have passed an advanced placement examination with a score of three or higher.
- (G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.
- 30 (5) Pupil engagement, as measured by all of the following, as applicable:
- 32 (A) School attendance rates.

- (B) Chronic absenteeism rates.
- 34 (C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.
- 36 (D) High school dropout rates.
 - (E) High school graduation rates.
- 38 (6) School climate, as measured by all of the following, as applicable:
- 40 (A) Pupil suspension rates.

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(B) Pupil expulsion rates.

- (C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.
- (7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.
- (8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.
- (9) How the county superintendent of schools will coordinate instruction of expelled pupils pursuant to Section 48926.
- (10) How the county superintendent of schools will coordinate services for foster children, including, but not limited to, all of the following:
- (A) Working with the county child welfare agency to minimize changes in school placement.
- (B) Providing education-related information to the county child welfare agency to assist the county child welfare agency in the delivery of services to foster children, including, but not limited to, educational status and progress information that is required to be included in court reports.
- (C) Responding to requests from the juvenile court for information and working with the juvenile court to ensure the delivery and coordination of necessary educational services.
- (D) Establishing a mechanism for the efficient expeditious transfer of health and education records and the health and education passport.
- (e) For purposes of the descriptions required by subdivision (c), the county board of education may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.

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(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

- (g) The county superintendent of schools shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the county office of education, parents, and pupils in developing a local control and accountability plan.
- (h) A county board of education may identify local priorities, goals in regard to the local priorities, and the method for measuring the county superintendent of schools' progress toward achieving those goals.
- SEC. 7. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.